

The Role of Knowledge Sharing Mediation and Organizational Culture in Leadership Style on Employee Performance of PT. Semen Bosowa Banyuwangi

Qonita Ariffiana¹, Diana Sulianti K. Tobing², Ika Barokah S.³

Master of Management, Faculty of Economics and Business, University of Jember Kalimantan 37, Jember 68121

Abstract: PT. Semen Bosowa Banyuwangi was established to meet the needs of consumers in the Java, Bali and Nusa Tenggara regions. The large number of demands from consumers makes this industry have to maximize production. The achievement of production targets is related to employee performance, and performance can be influenced by several factors, including: leadership style, knowledge sharing, and organizational culture. The sample used in this study was 94 respondents. Determination of the sample using judgmental sampling technique. The analytical tool in this research is PLS (Partial Least Square) using SmartPLS version 3. The results of this study are that leadership style has a positive and significant effect on knowledge sharing, leadership style has a positive and significant effect on organizational culture, knowledge sharing has a positive and insignificant effect on Employee performance, organizational culture has a positive and significant effect on employee performance, leadership style has a positive and insignificant effect on employee performance, indirect influence through mediating variables shows that leadership style has a positive and significant effect on employee performance through knowledge sharing, and indirect influence through The mediation variable shows that the leadership style has a significant positive effect on employee performance through organizational culture.

Keywords: Knowledge Sharing, Organizational Culture, Leadership Style, Employee Performance

Date of Submission: 08-01-2021

Date of Acceptance: 24-01-2021

I. Introduction

The development of the era which coincided with economic development led to the large number of buildings that had to be erected, many roads and bridges needed to facilitate access from one city to another, besides that the increasing density of Indonesia's population also encouraged them to build buildings for housing, this is related to the existence of companies providing building raw materials, one of which is the cement industry. Indonesia has many cement industries, ranging from the cement industry of BUMN (State-Owned Enterprises) and the private cement industry.

One of the privately owned companies in Indonesia, namely PT. Bosowa Indonesia is a company engaged in various industrial fields including automotive, cement, mining and energy, financial services, property and education. One of the cement companies with high production capacity is PT. Semen Bosowa, which is the only national private cement company in Indonesia that is concentrated in the eastern part of Indonesia, namely Maros Regency. PT. Semen Bosowa has several factory areas, namely the Maros factory, the Batam factory and the Banyuwangi factory.

PT. Semen Bosowa Banyuwangi was established in 2001 to meet the demands of the Java, Bali and Nusa Tenggara regions. The large demand for cement from the region has encouraged this industry to produce in order to meet demand. The production achievement that has been set by this industry is influenced by the presence of human resources in it. One of them is the role of the leader, the role of knowledge sharing, the role of organizational culture to improve the performance of PT. Semen Bosowa Banyuwangi.

This needs to be done because this industry has experienced a decline in production in 2017 and 2018. The following is production data from 2016 to 2018:

Table 1. Production per year

2016	2017	2018
501,881 tons	361,813 tons	342,503 tons

According to interviews, in 2020 This industry has experienced a decline in the quality of work, due to the implementation of WFH (Work From Home), one of which is the tasks that have been assigned to employees are not completed at the specified time. The decline in performance can be influenced by several factors, including leadership style, knowledge sharing, and organizational culture.

Based on the phenomena described, the cement industry has experienced a decline in production for two consecutive years, this can occur due to a decrease in the performance of employees of PT. Semen Bosowa Banyuwangi. So this research needs to be done to determine the causes of the decline in performance.

II. Literature Review

Leadership Style Leadership

style is a process for influencing others to understand and agree on what needs to be done and how the task is carried out effectively, as well as a process to facilitate individual and collective efforts to achieve common goals (Yukl, 2010: 309). (Busro, 2018: 248) argues that the theory developed by Koontz *et al.* explained that the leader's effectiveness depends on how the leader provides direction, motivation, and assistance to achieve goals. This theory makes subordinates hope that the leader will help him achieve his goals. This theory is called the *path-goal theory*. In this theory, it is stated that the activities of the leader are to explain each member's task, and reduce the various obstacles faced by members. According to Robbins & Coulter (2012: 467) there are four leadership styles from the theory *path-goal* that have been developed by Robert House as follows: (1) directive leadership, (2) supportive leadership, (3) participatory leadership, and (4) leadership achievement oriented.

Knowledge Sharing

According to Hajric (2018) *Knowledge sharing* is a push or puller for the progress of an organization, and has the end result such as when someone is actively looking for sources of knowledge. Alavi & Leidner (2001) argue that *knowledge sharing* is a key to unlocking knowledge management. *Knowledge sharing* is often associated with strategies to compete in maintaining the organization's core competencies and competitive advantage. According to Exellen (2020) there are 5 types of indicators, *knowledge sharing* including: (1) embrained knowledge, (2) Embodied knowledge, (3) Encultured knowledge, (4) Embedded knowledge, and (5) Encoded knowledge.

Organizational culture

Ivancevich *et al.* (2006) argue that organizational culture is what employees perceive and the way that perception creates a pattern of beliefs, values, and expectations. Organizational culture as a pattern of basic assumptions created, discovered, or developed by certain groups when learning to deal with problems of external adaptation and internal integration has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in connection with the problems it faces. According to Ashkanasy *et al.* (2011: 14) organizational culture is used as a shade for a way of thinking that focuses on cultural phenomena or even symbolic aspects in an organization. According to Luthans (2011: 72) there are six important characteristics in organizational culture, including: (1) rules, (2) norms, (3) values, (4) philosophy, (5) rules, and (6) organizational climate.

Employee performance

Sedarmayanti (2017: 463-464) defines performance as the result of work achieved by a person or group of people in an organization in accordance with their authority and responsibility, which functions to achieve organizational goals legally, obeying the law, according to morals, and ethics. Performance according to Fattah (2017: 6-7) is a person's end point, resources, and environment that have been determined with the intention of producing certain things, both in the form of services and products. Meanwhile, according to Amirullah (2015: 5) performance is not the end of a series of work processes but a manifestation of all elements of activities ranging from *inputs*, processes to *outputs*, even *outcomes*. According to Bernardin & Russel (2006) there are five indicators in performance appraisal, including: (1) quality, (2) quantity, (3) timeliness, (4) cost effectiveness, and (5) co-worker relationships.

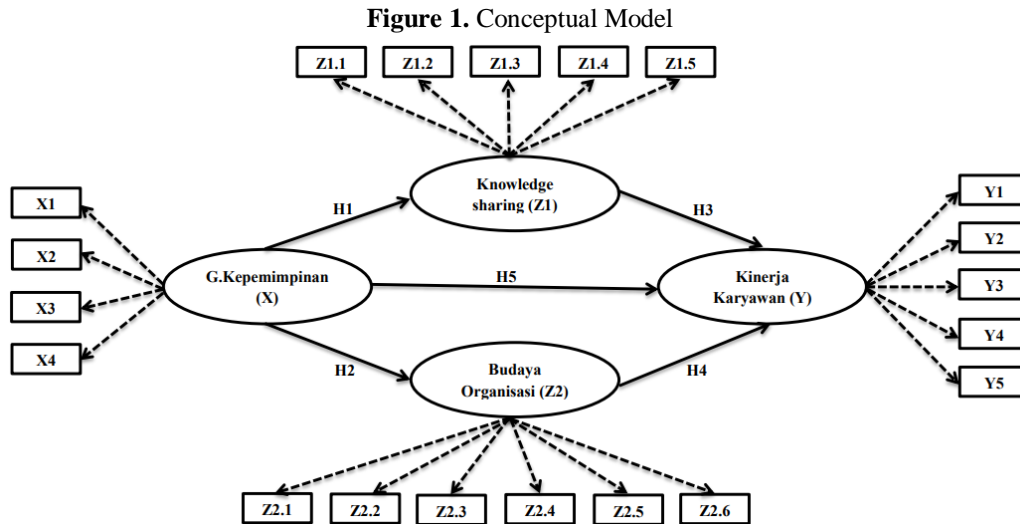
III. Research Methods

Population and Sample

According to Nasrudin (2019: 25-26) Population is the total number of several individuals or units to be studied. The sample is part of the population that has the characteristics to be studied. Determination of the sample in this study using method *judgmental* sampling. The sample used in this study was 94 which were saturated samples. The questionnaire was given to 94 employees at PT. Semen Bosowa Banyuwangi.

Data analysis method

The data analysis method used in this research is descriptive statistical analysis which is used to describe or analyze the results of the questionnaire. This research uses PLS (Partial Least Square) data analysis method. The application used in this study is Smart PLS version 3. PLS testing includes the Outer model and Inner model, the outer model includes the convergent validity test, discriminant validity test, and reliability test, while the inner model is used for hypothesis testing. this is conceptual model of research shown in Figure 1.

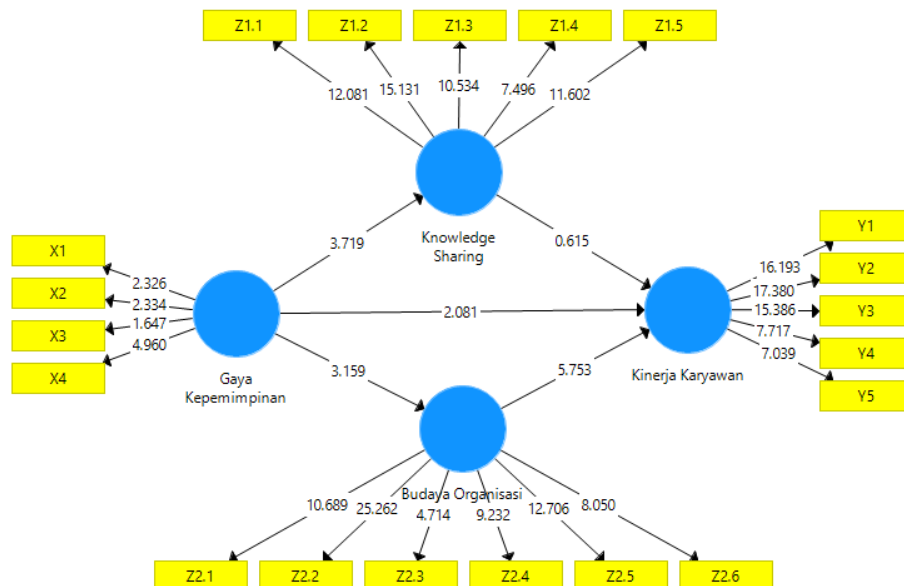


Research Hypothesis

- H1 : Leadership style affects knowledge sharing at PT. Semen Bosowa Banyuwangi.
- H2 : The leadership style affects the organizational culture at PT. Semen Bosowa Banyuwangi.
- H3 : Knowledge sharing affects the performance of employees at PT. Semen Bosowa Banyuwangi.
- H4 : Organizational culture affects the performance of employees of PT. Semen Bosowa Banyuwangi.
- H5 : Leadership style affects the performance of the employees of PT. Semen Bosowa Banyuwangi.
- H6 : Knowledge sharing mediates the influence of leadership style on employee performance at PT. Semen Bosowa Banyuwangi.
- H7 : Organizational culture mediates the influence of leadership style on employee performance at PT. Semen Bosowa Banyuwangi.

IV. Results and Discussion

Figure 2. Bootstrapping Result



Based on figure 2, a summary of the results of testing the hypotheses is produced in the following Table 2:

Table 2. Results of Testing Hypothesis

Correlation	Original Sample	T Statistics	T table	P Values
<i>Direct Effect</i>				
H1: Leadership Style -> Knowledge Sharing	0.372	3,719	1,661	0,000
H2: Leadership Style -> Organizational Culture	0.295	3,159	1,661	0.002
H3: Knowledge Sharing -> Employee performance	-0.077	0.615	1.661	0.539
H4: Organizational Culture -> performance Employees	0.626	5.753	1.661	0.000
H5: Leadership Style -> performance Employees	0,217	2,081	1,661	0,038
<i>Indirect Effect</i>				
H6: Leadership Styles -> Knowledge Sharing -> performance Employees	-0.029	0.548	1.661	0.584
H7: Leadership Style -> Cultural Organizations -> performance Employees	0.185	2.644	1.661	0.008

1. H1, leadership style (X) has a positive and significant effect on *knowledge sharing* (Z1), because the beta coefficient value in the original sample is $0.372 > 0$, and the statistical t value is $3.719 >$ the t-table value (1.661). Therefore H_a is accepted and H_0 is rejected, which means that the better the leadership style can increase *knowledge sharing* at PT. Semen Bosowa Banyuwangi.

2. H2, leadership style (X) has a positive and significant effect on organizational culture (Z2) because the beta coefficient value in the original sample is $0.295 > 0$, and the statistical t value is $3.159 >$ the t-table value (1.661). Therefore H_a is accepted and H_0 is rejected, which means that the better the leadership style can improve aspects of the organizational culture at PT. Semen Bosowa Banyuwangi.

3. H3, *knowledge sharing* (Z1) has a positive and insignificant effect on employee performance (Y) because the beta coefficient value in the original sample is $-0.077 > 0$, and the statistical t value is $0.615 <$ t-table value (1.661). Therefore, *knowledge sharing* has no effect on employee performance, because based on the results of hypothesis testing, the t statistical value is 0.620, the greater the positive value of t statistic, the greater the role of *knowledge sharing*. But in this study shows that *knowledge sharing* does not play an active role in influencing the performance of employees of PT. Semen Bosowa Banyuwangi.

4. H4, organizational culture (Z2) has a positive and significant effect on employee performance (Y) because the beta coefficient value in the original sample is $0.626 > 0$, and the statistical t value is $5.753 >$ t-table value (1.661). Therefore H_a is accepted and H_0 is rejected, which means that the better the organizational culture, the better the employee's performance at PT. Semen Bosowa Banyuwangi.

5. H5, leadership style (X) has a positive and significant effect on employee performance (Y) because the beta coefficient value in the original sample is $0.217 > 0$, and the statistical t value is $2.081 <$ t-table value (1.661). Therefore H_a is accepted and H_0 is rejected, which means that the better the leadership style can improve the performance of the employees of PT. Semen Bosowa Banyuwangi.

6. H6, the indirect effect through the mediation variable shows that the leadership style has no significant effect on employee performance through *knowledge sharing*, with the beta coefficient value in the original sample of $-0.029 > 0$, and the t-statistic value of $0.548 <$ t-table value (1.661). This means that *knowledge sharing* is not able to act as a mediator in the leadership style of employee performance.

7. H7, the indirect effect through the mediating variable shows that leadership style has a significant positive effect on employee performance through organizational culture, with the beta coefficient value in the original sample of $0.185 > 0$, and the statistical t value of $2.644 >$ t-table value (1.661). This means that the organizational culture is able to act as a mediator in the leadership style of the employees' performance at PT. Semen Bosowa Banyuwangi.

V. Conclusion

1. Leadership style has a positive and significant effect on knowledge sharing at PT. Semen Bosowa Banyuwangi.
2. Leadership style has a positive and significant effect on organizational culture at PT. Semen Bosowa Banyuwangi.
3. *Knowledge sharing* and no significant positive effect on the performance of employees at PT. Semen Bosowa Banyuwangi.
4. Organizational culture has a positive and significant effect on employee performance at PT. Semen Bosowa Banyuwangi.
5. Leadership style has a positive and significant effect on employee performance at PT. Semen Bosowa Banyuwangi.
6. The indirect effect through the mediation variable shows that the leadership style has no significant effect on employee performance through knowledge sharing at PT. Semen Bosowa Banyuwangi.
7. The indirect effect through the mediating variable shows that the leadership style has a significant positive effect on employee performance through organizational culture at PT. Semen Bosowa Banyuwangi.

Suggestion

1. Indicators should use the measurement standard of performance achievement on the object of research.
2. Using analysis tools other than PLS.
3. For further research it is better to use variables other than the four variables that have been used.

References

- [1]. Alavi, M., & Leidner, DE 2001. Review: Knowledge Systems: Management Knowledge and Foundations Conceptual. *MIS Quarterly*, 25(1), 107–136.
- [2]. Amirullah. 2015. *Introduction to Management*. Jakarta: Mitra Wacana Media.
- [3]. Ashkanasy, NM, Wilderom, CPM, & Peterson, MF 2011. *The Handbook of Organizational Culture and Climate* (Second Edi). SAGE.
- [4]. Bernardin, & Russel. 2006. *Human Resource Management*. Bandung: Armico.
- [5]. Busro, M. 2018. *Human resource management theories*. Jakarta: Golden.
- [6]. Exellen, NP 2020. Analysis of the Influence of Knowledge Sharing on Organizational Citizenship Behavior Performance. *Journal of Economics Volume 18, Number 1 March 2020*, 2(1), 41–49.
- [7]. Fattah, H. 2017. *Job Satisfaction and Employee Performance*. Yogyakarta: Almatara.
- [8]. Hajric, E. 2018. *Knowledge Management*. California: Stanford University.
- [9]. Ivancevich, JM, Konopaske, R., & Matteson, Michael, T. 2006. *Organizational Behavior and Management*. Jakarta: Erlangga Publisher.
- [10]. Luthans, F. 2011. *Organizational Behavior: an evidence-based approach* (12th ed.). United States: McGraw-Hill.
- [11]. Robbins, SP, & Coulter, M. 2012. *Management*. Boston: Prentice Hall.
- [12]. Sedarmayanti. 2017. *Planning HRand Development to Increase Competency, Performance and Work Productivity*. Bandung: PT. Refika Aditama.
- [13]. Yukl, G. 2010. *Leadership in Organizations*. Jakarta: PT. Index.

Qonita Ariffiana. "The Role of Knowledge Sharing Mediation and Organizational Culture in Leadership Style on Employee Performance of PT. Semen Bosowa Banyuwangi." *IOSR Journal of Business and Management (IOSR-JBM)*, 23(01), 2021, pp. 51-55.